VZCZCXRO9430 PP RUEHJO DE RUEHLGB #0202/01 0791623 ZNR UUUUU ZZH P 191623Z MAR 08 FM AMEMBASSY KIGALI TO RUEHC/SECSTATE WASHDC PRIORITY 5188 INFO RUEHBS/AMEMBASSY BRUSSELS 0208 RUEHJB/AMEMBASSY BUJUMBURA 0262 RUEHDR/AMEMBASSY DAR ES SALAAM 1076 RUEHKM/AMEMBASSY KAMPALA 1844 RUEHKI/AMEMBASSY KINSHASA 0397 RUEHLG/AMEMBASSY LILONGWE 0091 RUEHLO/AMEMBASSY LONDON 0184 RUEHNR/AMEMBASSY NAIROBI 1161 RUEHFR/AMEMBASSY PARIS 0438 RUEHSA/AMEMBASSY PRETORIA 1958 RUEHJO/AMCONSUL JOHANNESBURG 0112 RUEHMT/AMCONSUL MONTREAL 0018 RUEHGV/USMISSION GENEVA 0287

UNCLAS SECTION 01 OF 02 KIGALI 000202

SIPDIS

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: EAIR ECON EFIN EINV AMGT CASC RW

SUBJECT: RECENT PROBLEMS WITH RWANDAIR EXPRESS CAUSE CONCERN

- ¶1. (SBU) Summary. Recently Rwandair Express (Rwandair), Rwanda's regional airline carrier, has been experiencing major breakdowns in both airline safety and customer service. Concerned about the safety of American citizens and Mission staff who frequently use Rwandair to travel around the region, Emboffs spoke with Rwandair and GOR Civil Aviation officials to convey our concern and request improvements. Rwandan Civil Aviation Authority required Rwandair to replace a malfunctioning aircraft, and Rwandair has discontinued its contractual relationship with the aircraft leasing company, InterAir.

 Looming privitization may be the long-term solution to the airline's continuing problems. End summary.
- 12. (SBU) Owned by the Government of Rwanda, Rwandair is a regional carrier that runs multiple flights per week out of Kigali to Nairobi, Johannesburg, Bujumbura, Entebbe, Kilimanjaro and Cyangugu, using two wet-leased aircraft from Air Malawi (one prop plane and one Boeing 737). Since January, Rwandair service on its Boeing 737 has been increasingly erratic and dangerous. Multiple mechanical failures, including one aborted take-off late February in Johannesburg with three Mission staff abroad as passengers, began to raise serious concerns over the safety of the airline. Passengers on the other flights reported repeated engine failures on the tarmac, and claimed that several times Rwandair took off with only one of two jet engines working. Local travel agents and pilots reported that passengers were frequently stranded by the airline, with little or no explanation as to the nature of the problem, and no accommodations offered to them.
- 13. (SBU) On March 14, pol/econ chief spoke with Joshua Mbaraga, Director of the Rwanda Civil Aviation Authority (CAA), to express Mission's concern at the repeated reports of mechanical failures and poor service. At the direction of

the Ambassador, pol/econ chief told Mbaraga that absent significant and immediate changes in Rwandair's operations, the Mission would be forced to place Rwandair off limits to employees, and inform American citizens of the recurring safety problems. Mr. Mbaraga pledged to investigate the situation. Later the same day, Mbaraga called to to say he has grounded the malfunctioning Boeing aircraft.

Rwandair would receive a "warning note" on its failure to inform his office on aircraft substitutions and crew changes. In a subsequent call the next day, Mbaraga said the Boeing 737 had been flown out of Rwanda under a "failed flight permit," with no passengers on board, to be returned to its leasing company (InterAir based in South Africa).

14. (SBU) Econoff met with Manzi Kayihura, Rwandair CEO, on March 17 to discuss Rwandair. According to Kayihura, in January Air Malawi subcontracted with InterAir, a South African

company, to provide a replacement jet aircraft to Rwandair while Air Malawi's own craft was undergoing maintenance. Kayihura admitted several problems with the Interair 737, including a bird strike, flat tires on takeoff and two engine incidents in which engines would not start. He denied Qengine incidents in which engines would not start. He denied passenger accounts of engine failures on takeoff, or any failures to accomodate passengers for missed flights, and stated that - although there were problems - the the South

African Aviation Authority approved the InterAir flight. The fourth incident (see paragraph 2), with an aborted takeoff

and blown tires in Johannesburg, was the "final straw" according to Kayihura. Rwandair "fired" Interair and substituted Interlink, another South African company. Further, said Kayihura, Rwandair would not renew its contract with Air Malawi, set to expire at the end of March. Acknowledging that Rwandair has been on the market for some time, Kayihura commented that the GOR had narrowed the field of potential buyers to two companies, Meridian Airlines and SN Brussels. The winner would be announced in the first two weeks of April.

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 $\P5.$ (SBU) Comment: While safety problems may have been resolved

for the moment with the Rwandair switch to Interlink (which we understand has a better aviation track record than Interair), a longer-term solution to the airline's problems is needed. We are disturbed that Kayihura's characterization of the events of the last two months contradicts passenger, pilot and travel agency accounts of the various equipment mishaps and customer services failures. While imminent privatization may be the needed solution for consistent and safe service in the long term, flights are scheduled and passengers will continue to fly in the short term. We will monitor Rwandair's performance closely. End comment.

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